

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

In the matter of:

**MORGAN STANLEY & CO.  
INCORPORATED (CRD #8209),**

Respondent.

**ADMINISTRATIVE CONSENT ORDER**

**File Number 10004**

WHEREAS, Morgan Stanley & Co. Incorporated ("Morgan Stanley") is a broker-dealer registered in the State of South Carolina; and

WHEREAS, coordinated investigations of the activities of Morgan Stanley in connection with the marketing and sale of auction rate securities ("ARS") have been conducted by a multi-state task force composed of members of the North American Securities Administrators Association Inc. ("NASAA"); and

WHEREAS, Morgan Stanley has cooperated with regulators conducting the investigations by responding to inquiries, providing documentary evidence and other materials, and providing regulators with access to facts relating to the investigations; and

WHEREAS, Morgan Stanley has advised regulators of its agreement to resolve the investigations relating to its marketing and sale of ARS to retail investors; and

WHEREAS, Morgan Stanley agrees to, among other things, reimburse certain purchasers of auction rate securities, implement certain changes with respect to its marketing and sale of ARS, and make certain payments; and

WHEREAS, Morgan Stanley elects to permanently waive any right to a hearing and appeal under S.C. Code Ann. §§ 35-1-604 and 35-1-609 (Supp. 2009) with respect to this Administrative Consent Order (the "Order");

WHEREAS, Morgan Stanley admits the jurisdiction of the Securities Commissioner of the State of South Carolina (the "Securities Commissioner"); acknowledges, without admitting or denying the truth thereof, that the following allegations contained in this Order shall be adopted as the Securities Commissioner's Findings of Fact; and consents to the entry of this Order by the Securities Commissioner;

NOW, THEREFORE, the Securities Commissioner, as administrator of the South Carolina Uniform Securities Act of 2005 (the "Act"), hereby enters this Order:

I.

## FINDINGS OF FACT

### Unethical Practices in the Offer and Sale of Auction Rate Securities

1. Auction rate securities are financial instruments that include auction preferred shares of closed-end funds, municipal auction rate bonds, and various asset-backed auction rate bonds (collectively referred to herein as "ARS"). ARS are long-term instruments where the interest/dividend is reset weekly or monthly.

2. Morgan Stanley participated in the marketing and sale of ARS.

3. In certain instances, Morgan Stanley, through its salespeople, advised certain clients that ARS were safe, liquid investments, when in fact auction rate securities had significant liquidity risks associated with them.

4. Representatives of Morgan Stanley represented to certain customers of Morgan Stanley that ARS were short-term investments. In fact, because ARS are bonds with long-term maturities, their short-term liquidity was dependent on the successful operation of a bidding process known as a Dutch auction. Certain representatives of Morgan Stanley failed to disclose to certain customers with short-term liquidity needs that they might be unable to sell their ARS if the auction process failed.

5. In connection with the sale of ARS, certain Morgan Stanley salespeople told certain investors that ARS were "just like cash" and "liquid with seven days notice."

1           6.       Morgan Stanley marketed ARS to investors within a brochure entitled "Money  
2 Market Instruments." Within this brochure, ARS are listed under the subsection "Other Short-  
3 Term Instruments."

4           7.       Since it began participating in the auction rate securities market, Morgan Stanley  
5 submitted support bids—purchase orders for the entirety of an auction rate security issue for which  
6 it acted as the sole or lead broker. Support bids were Morgan Stanley proprietary orders that would  
7 be filled, in whole or in part, if there was otherwise insufficient demand in an auction. When  
8 Morgan Stanley purchased auction rate securities through support bids, auction rate securities were  
9 then owned by Morgan Stanley and the holdings were recorded on Morgan Stanley's balance sheet.  
10 For risk management purposes, Morgan Stanley imposed limits on the amounts of auction rate  
11 securities it could hold in inventory.

12           8.       Because many investors could not ascertain how much of an auction was filled  
13 through Morgan Stanley proprietary trades, they could not determine if auctions at Morgan Stanley  
14 were clearing because of normal marketplace demand, or because Morgan Stanley was making up  
15 for the lack of demand through support bids. Generally, investors were also not aware that the  
16 liquidity of the auction rate securities as to which Morgan Stanley was the managing broker-dealer  
17 depended upon Morgan Stanley's continued use of support bids. While Morgan Stanley could track  
18 its own inventory as a measure of the supply and demand for its auction rate securities, ordinary  
19 investors had no comparable ability to assess the operation of Morgan Stanley's auctions. There  
20 was no way for such investors to monitor supply and demand in the market or to assess when  
21 broker-dealers might decide to stop supporting the market, thereby causing its collapse.

22           9.       Starting in August 2007, the credit crisis and other deteriorating market conditions  
23 strained the auction rate securities market. Some institutional investors withdrew from the market,  
24 decreasing demand for auction rate securities.

25           10.      The resulting market dislocation should have been evident to Morgan Stanley.  
26 Morgan Stanley's support bids filled the increasing gap in the demand in its auctions for auction

1 rate securities, sustaining the impression that the demand for auction rate securities had not  
2 decreased. As a result, Morgan Stanley's auction rate securities inventory grew significantly,  
3 requiring Morgan Stanley to raise its risk management limits on its auction rate securities  
4 inventory.

5 11. From the Fall of 2007 through February of 2008, demand for auction rate securities  
6 continued to erode and Morgan Stanley's auction rate securities inventory reached unprecedented  
7 levels. Morgan Stanley eventually became aware of the increasing strains in the auction rate  
8 securities market, and recognized the potential for widespread market failure. Morgan Stanley  
9 never disclosed these increasing risks of owning or purchasing auction rate securities to its  
10 customers.

11 12. In February 2008, Morgan Stanley and other firms stopped supporting the auctions.  
12 Without the benefit of support bids, the auction rate securities market collapsed, leaving investors  
13 who had been led to believe that these securities were cash alternative investments appropriate for  
14 managing short-term cash needs holding long-term or perpetual securities that could not be sold at  
15 par value until and unless the auctions cleared again.

### 16 **Failure to Supervise**

17 13. Although ARS are complex products, Morgan Stanley did not provide its sales or  
18 marketing staff with the training necessary to adequately explain these products or the mechanics  
19 of the auction process to their customers.

20 14. Morgan Stanley did not adequately train all of its brokers and financial advisers  
21 regarding the potential illiquidity of ARS, including the fact that Morgan Stanley may stop  
22 supporting the market.

## 23 **II.**

### 24 **CONCLUSIONS OF LAW**

25 15. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code  
26 §35-1-604 (Supp. 2009).

16. The Securities Commissioner finds that the above conduct subjects Morgan Stanley to sanctions under 23 S. C. Code Reg. 13-501 (Supp. 2009).

17. The Securities Commissioner finds the following relief appropriate and in the public interest.

### III.

## ORDER

On the basis of the Findings of Fact, Conclusions of Law, and Morgan Stanley's consent to the entry of this Order, for the sole purpose of settling this matter prior to a hearing and without admitting or denying the Findings of Fact or Conclusions of Law,

IT IS HEREBY ORDERED:

1. This Order concludes the investigation by the Securities Commissioner and any other action that the Securities Commissioner could commence under applicable South Carolina law on behalf of the State of South Carolina as it relates to Morgan Stanley's marketing and sale of Eligible ARS to Morgan Stanley's Retail ARS Investors, as defined below. Specifically excluded from and not covered by this paragraph are any claims by the Securities Commissioner arising from or relating to the Order provisions contained herein.

2. This Order is entered into solely for the purpose of resolving the investigation into Morgan Stanley's marketing and sale of Eligible ARS, as defined below, and is not intended to be used for any other purpose.

3. This Order shall be binding upon Respondent Morgan Stanley and its successors and assigns as well as to successors and assigns of relevant affiliates with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

4. Morgan Stanley shall cease and desist from violating the Act and will comply with the Act.

16. The Securities Commissioner finds that the above conduct subjects Morgan Stanley to sanctions under 23 S. C. Code Reg. 13-501 (Supp. 2009).

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IT IS HEREBY ORDERED:

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3. This Order shall be binding upon Respondent Morgan Stanley and its successors and assigns as well as to successors and assigns of relevant affiliates with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

4. Morgan Stanley shall cease and desist from violating the Act and will comply with the Act.

1           5.       Morgan Stanley shall pay the aggregate sum of \$35 million dollars to participating  
2 jurisdictions.

3           6.       Within ten (10) calendar days following the entry of this Order, Morgan Stanley  
4 shall pay to the State of South Carolina the sum of one hundred eighty-three thousand fourteen  
5 dollars and twelve cents (\$183,014.12), which amount constitutes the State of South Carolina's  
6 allocated share of the total settlement payment described in the preceding paragraph.

7           7.       In the event another state securities regulator determines not to accept Morgan  
8 Stanley's settlement offer, the total amount of the payment to the State of South Carolina shall not  
9 be affected.

10                   **Requirement to Repurchase ARS from Retail ARS Investors**

11           8.       Morgan Stanley shall provide liquidity to Retail ARS Investors by buying-back, at  
12 par, in the manner described below, Eligible ARS that were not clearing as of September 30, 2008.

13           9.       "Eligible ARS," for the purposes of this Order, shall mean auction rate securities  
14 purchased at Morgan Stanley prior to February 13, 2008.

15           10.      "Retail ARS Investors," for the purposes of this Order, shall mean:

16                   i.       Natural persons (including their IRA accounts, testamentary trust and estate  
17 accounts, custodian UGMA and UTMA accounts, and guardianship accounts) who  
18 purchased Eligible ARS at Morgan Stanley;

19                   ii.      Charities and nonprofits with Internal Revenue Code Section 501(c)(3)  
20 status that purchased Eligible ARS at Morgan Stanley; and

21                   iii.     Small Businesses that purchased Eligible ARS at Morgan Stanley. For  
22 purposes of this provision, "Small Businesses" shall mean Morgan Stanley customers not  
23 otherwise covered in paragraph 10(i) and (ii) above that had \$10 million or less in assets in  
24 their accounts with Morgan Stanley, net of margin loans, as determined by the customer's  
25 aggregate household position(s) at Morgan Stanley as of August 31, 2008, or, if the  
26 customer was not a customer of Morgan Stanley as of August 31, 2008, as of the date that

1 the customer terminated its customer relationship with Morgan Stanley. Notwithstanding  
2 any other provision, "Small Businesses" does not include broker-dealers or banks acting as  
3 conduits for their customers.

4 11. Morgan Stanley shall offer to purchase, at par plus accrued and unpaid  
5 dividends/interest, from Retail ARS Investors their Eligible ARS that were not clearing as of  
6 September 30, 2008 ("Buyback Offer"), and explain to such Retail ARS Investors what they must  
7 do to accept, in whole or in part, the Buyback Offer. The Buyback Offer shall remain open until at  
8 least January 11, 2009 ("Offer Period"). Morgan Stanley may in its sole discretion extend the  
9 Offer Period beyond this date.

10 12. Morgan Stanley shall have undertaken its best efforts to identify and provide notice  
11 to Retail ARS Investors who invested in Eligible ARS that were not clearing as of September 30,  
12 2008, of the relevant terms of this Order by October 20, 2008.

13 13. Retail ARS Investors may accept the Buyback Offer by notifying Morgan Stanley at  
14 any time before midnight, Eastern Time, January 11, 2009, or such later date and time as Morgan  
15 Stanley may in its sole discretion decide to extend the Offer Period. For Retail ARS Investors who  
16 accept the Buyback Offer prior to December 11, 2008, Morgan Stanley shall have purchased their  
17 Eligible ARS by December 15, 2008. Morgan Stanley shall have purchased the Eligible ARS of all  
18 other Retail ARS Investors who accept the Buyback Offer within the Offer Period, on or before  
19 January 16, 2009.

20 14. If at any time between January 12, 2009, and December 31, 2009, a Retail ARS  
21 Investor who did not accept the Buyback Offer contacts Morgan Stanley and affirms that he or she  
22 did not receive notice of the Buyback Offer prior to January 11, 2009, Morgan Stanley will  
23 purchase the Eligible ARS of such investor.

24 15. No later than October 20, 2008, Morgan Stanley shall have established: a) a  
25 dedicated toll-free telephone assistance line, with appropriate staffing, to provide information and  
26 to respond to questions concerning the terms of this Order; and b) a public Internet page on its

1 corporate Web site(s), with a prominent link to that page appearing on Morgan Stanley's relevant  
2 homepage(s), to provide information concerning the terms of this Order and, via reasonable means,  
3 to respond to questions concerning the terms of this Order. Morgan Stanley shall maintain the  
4 telephone assistance line and Internet page through December 31, 2009.

5 **Review of Customer Accounts**

6 16. For a period of two years from the date of this Order, upon request from any firm  
7 that is repurchasing auction rate securities, Morgan Stanley shall take reasonable steps to provide  
8 notice of that firm's offer to repurchase auction rate securities to Morgan Stanley customers that  
9 Morgan Stanley can reasonably identify, that hold such auction rate securities subject to the other  
10 firm's repurchase.

11 **Relief for Investors Who Sold Below Par**

12 17. No later than December 11, 2008, Morgan Stanley shall pay any Retail ARS  
13 Investor that Morgan Stanley can reasonably identify who sold Eligible ARS below par between  
14 February 13, 2008, and August 13, 2008, the difference between par and the price at which the  
15 Retail ARS investor sold the Eligible ARS.

16 **Claims for Consequential Damages**

17 18. Notwithstanding this Order, an investor may pursue any claims related to the sale of  
18 auction rate securities via any method normally available to the investor. However, if the investor  
19 is pursuing claims related exclusively to consequential damages, Morgan Stanley shall provide the  
20 investor with the option to proceed in arbitration according to the following provisions:

21 a. The arbitrations will be conducted by a single public arbitrator in accordance  
22 with FINRA's special arbitration procedures for claims of consequential damages filed by  
23 Retail ARS Investors;

24 b. Morgan Stanley shall pay all applicable FINRA forum and FINRA filing  
25 fees;

c. Any Morgan Stanley Retail ARS Investors who choose to pursue such claims shall bear the burden of proving that they suffered consequential damages and that such damages were caused by the investors' inability to access funds consisting of Eligible ARS holdings purchased at Morgan Stanley; and

d. Morgan Stanley shall be able to defend itself against such claims; provided, however, that Morgan Stanley shall not contest liability related to the sale of auction rate securities, and provided further that Morgan Stanley shall not be able to use as part of its defense a Morgan Stanley Retail ARS Investor's decision not to borrow money from Morgan Stanley.

19. Retail ARS Investors who elect to use the special arbitration process provided for herein shall not be eligible for punitive damages.

20. All customers, including but not limited to Retail ARS Investors who avail themselves of the relief provided pursuant to this Order, may pursue any remedies against Morgan Stanley available under the law. However, Eligible Investors that elect to utilize the special arbitration process set forth above are limited to the remedies available in that process and may not bring or pursue a claim against Morgan Stanley or in any case where Morgan Stanley is underwriter relating to Eligible ARS in another forum.

### **Institutional Investors**

21. Morgan Stanley shall endeavor to work with issuers and other interested parties, including regulatory and governmental entities, to expeditiously provide liquidity solutions for institutional investors that purchased auction rate securities not covered by the Retail ARS Investor repurchase provisions delineated above.

22. Beginning December 11, 2008, and within 45 days of the end of each quarter thereafter, Morgan Stanley shall submit a written report to a representative specified by NASAA outlining the efforts in which Morgan Stanley has engaged and the results of those efforts with respect to Morgan Stanley institutional investors' holdings in Eligible ARS. Morgan Stanley shall,

1 at the option of the representative specified by NASAA, confer with such representative no less  
2 frequently than quarterly to discuss Morgan Stanley's progress. Such quarterly meetings shall  
3 continue until no later than December 2009. Following every quarterly meeting, the representative  
4 shall advise Morgan Stanley of any concerns and, in response, Morgan Stanley shall detail the  
5 steps that Morgan Stanley plans to implement to address such concerns. The reporting or meeting  
6 deadlines set forth above may be amended upon Morgan Stanley's request if written permission is  
7 received from the representative specified by NASAA.

8 **Relief for Municipal Issuers**

9 23. Morgan Stanley shall promptly refund to municipal issuers refinancing fees the  
10 issuers paid to Morgan Stanley for the refinancing of their auction rate securities, where such  
11 refinancing occurred between February 11, 2008, and the date of this Order and where Morgan  
12 Stanley acted as underwriter for the primary offering of the auction rate securities between August  
13 1, 2007, and February 11, 2008. Nothing in this Order precludes the Securities Commissioner  
14 from pursuing any other civil action that may arise with regard to auction rate securities other than  
15 the marketing and sale of auction rate securities to retail investors.

16 **Additional Considerations**

17 24. Nothing herein shall preclude the State of South Carolina, its departments, agencies,  
18 boards, commissions, authorities, political subdivisions and corporations (collectively, "South  
19 Carolina Entities"), other than the Securities Commissioner and only to the extent set forth in  
20 paragraph 1 above, and the officers, agents or employees of South Carolina Entities from asserting  
21 any claims, causes of action, or applications for compensatory, nominal and/or punitive damages,  
22 or administrative, civil, criminal, or injunctive relief against Morgan Stanley in connection with  
23 certain auction rate securities practices at Morgan Stanley.

24 25. This Order shall not disqualify Morgan Stanley or any of its affiliates or current or  
25 former employees from any business that they otherwise are qualified or licensed to perform under  
26

1 applicable South Carolina law and this Order is not intended to form the basis for any  
2 disqualification.

3       26. To the extent applicable, this Order hereby waives any disqualification from relying  
4 upon the registration exemptions or registration safe harbor provisions that may be contained in the  
5 federal securities laws, the rules and regulations thereunder, the rules and regulations of self  
6 regulatory organizations or any states' or U.S. Territories' securities laws. In addition, this Order is  
7 not intended to form the basis for any such disqualifications. In addition, this Order is not intended  
8 to form the basis of a statutory disqualification under Section 3(a)(39) of the Securities Exchange  
9 Act of 1934.

10       27. This Order and any dispute related thereto shall be construed and enforced in  
11 accordance with, and governed by, the laws of the State of South Carolina without regard to any  
12 choice of law principles.

13       28. Evidence of a violation of this Order proven in a court of competent jurisdiction  
14 shall constitute prima facie proof of a violation of the Act, in any civil action or proceeding  
15 hereafter commenced by the Securities Commissioner against Morgan Stanley.

16       29. Should the Securities Commissioner prove in a court of competent jurisdiction that a  
17 material breach of this Order by Morgan Stanley has occurred, Morgan Stanley shall pay to the  
18 Securities Commissioner the cost, if any, of such determination and of enforcing this Order  
19 including without limitation legal fees, expenses, and court costs.

20       30. If Morgan Stanley fails to make the payment specified in paragraph 6, the Securities  
21 Commissioner may, at his sole discretion, pursue any legal remedies, including but not limited to  
22 initiating an action to enforce the Order, revoking Morgan Stanley's registration within the state, or  
23 terminating this Order.

24       31. If in any proceeding, after notice and opportunity for a hearing, a court of competent  
25 jurisdiction, including an administrative proceeding by a state securities administrator, finds that  
26 there was a material breach of this Order, the Securities Commissioner, at his sole discretion, may

1 terminate the Order. If Morgan Stanley defaults on any other obligation under this Order, the  
2 Securities Commissioner may, at his sole discretion, pursue legal remedies to enforce the Order or  
3 pursue an administrative action, including but not limited to an action to revoke Morgan Stanley's  
4 registration within the state. Morgan Stanley agrees that any statute of limitations or other time  
5 related defenses applicable to the subject of the Order and any claims arising from or relating  
6 thereto are tolled from and after the date of this Order. In the event of such termination, Morgan  
7 Stanley expressly agrees and acknowledges that this Order shall in no way bar or otherwise  
8 preclude the Securities Commissioner from commencing, conducting or prosecuting any  
9 investigation, action, or proceeding, however denominated, related to the Order, against Morgan  
10 Stanley, or from using in any way any statements, documents or other materials produced or  
11 provided by Morgan Stanley prior to or after the date of this Order, including, without limitation,  
12 such statements, documents or other materials, if any, provided for purposes of settlement  
13 negotiations, except as may otherwise be provided in a written agreement with the Securities  
14 Commissioner.

15 32. Morgan Stanley shall cooperate fully and promptly with the Securities  
16 Commissioner and shall use its best efforts to ensure that all the current and former officers,  
17 directors, trustees, agents, members, partners, and employees of Morgan Stanley (and of any of  
18 Morgan Stanley's parent companies, subsidiaries, or affiliates) cooperate fully and promptly with  
19 the Securities Commissioner in any pending or subsequently initiated investigation, litigation, or  
20 other proceeding relating to auction rate securities and/or the subject matter of the Order. Such  
21 cooperation shall include, without limitation, and on a best efforts basis:

22 a. production, voluntarily and without service of subpoena, upon the request of  
23 the Securities Commissioner, of all documents or other tangible evidence requested by the  
24 Securities Commissioner and any compilations or summaries of information or data that the  
25 Securities Commissioner requests that Morgan Stanley (or Morgan Stanley's parent  
26 companies, subsidiaries, or affiliates) prepare, except to the extent such production would

1 require the disclosure of information protected by the attorney-client and/or work product  
2 privileges;

3 b. without the necessity of a subpoena, having the current (and making all  
4 reasonable efforts to cause the former) officers, directors, trustees, agents, members,  
5 partners, and employees of Morgan Stanley (and of any of the Morgan Stanley's parent  
6 companies, subsidiaries, or affiliates) attend any Proceedings (as hereinafter defined) in the  
7 State of South Carolina or elsewhere at which the presence of any such persons is requested  
8 by the Securities Commissioner and having such current (and making all reasonable efforts  
9 to cause the former) officers, directors, trustees, agents, members, partners, and employees  
10 answer any and all inquiries that may be put by the Securities Commissioner to any of them  
11 at any proceedings or otherwise, except to the extent such production would require the  
12 disclosure of information protected by the attorney-client and/or work product privileges.  
13 "Proceedings" include, but are not limited to, any meetings, interviews, depositions,  
14 hearings, trials, grand jury proceedings, or other proceedings;

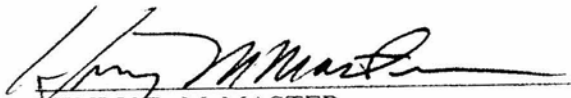
15 c. fully, fairly, and truthfully disclosing all information and producing all  
16 records and other evidence in its possession, custody, or control (or the possession, custody,  
17 or control of the Morgan Stanley parent companies, subsidiaries, or affiliates) relevant to all  
18 inquiries made by the Securities Commissioner concerning the subject matter of the Order,  
19 except to the extent such inquiries call for the disclosure of information protected by the  
20 attorney-client and/or work product privileges; and

21 d. making outside counsel reasonably available to provide comprehensive  
22 presentations concerning any internal investigation relating to all matters in the Order and  
23 to answer questions, except to the extent such presentations or questions call for the  
24 disclosure of information protected by the attorney-client and/or work product privileges.  
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1           33. In the event Morgan Stanley fails to comply with paragraph 32 of the Order, the  
2 Securities Commissioner shall be entitled to specific performance, in addition to any other  
3 available remedies.

4  
5 Dated this 11<sup>th</sup> day of April, 2010.

6  
7  
8 BY ORDER OF THE SECURITIES COMMISSIONER

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11 HENRY D. McMASTER  
12 SECURITIES COMMISSIONER  
13 STATE OF SOUTH CAROLINA  
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**CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY MORGAN STANLEY**

Morgan Stanley hereby acknowledges that it has been served with a copy of this Administrative Consent Order, has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Morgan Stanley admits the jurisdiction of the Securities Commissioner, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order; and consents to entry of this Order by the Securities Commissioner as settlement of the issues contained in this Order.

Morgan Stanley agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any South Carolina, federal or local tax for any administrative monetary penalty that Morgan Stanley shall pay pursuant to this Order.

Morgan Stanley states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

S. Anthony Taggare represents that he/she is Executive Director of Morgan Stanley and that, as such, has been authorized by Morgan Stanley to enter into this Order for and on behalf of Morgan Stanley.

Dated this 24<sup>th</sup> day of February, 2010

MORGAN STANLEY & CO. INCORPORATED

By: [Signature]

Title: Executive Director

STATE  
SOUTH CAROLINA OF NEW YORK )  
County of NEW YORK )

SUBSCRIBED AND SWORN TO before me this 24<sup>th</sup> day of February, 2010

[Signature]  
Notary Public

My commission expires:  
7/9/11

YOKO NITTA  
Notary Public, State Of New York  
No. 01NI6060999 342275  
Qualified In New York County  
Commission Expires July 9, 2011